

**Reporting of Cash Payments  
Over \$10,000  
Received in a Trade or Business  
  
(Form 8300)**



**Small Business/Self-Employed Division  
September 16, 2009**

***Objectives***

- What is Money Laundering
- Who Must File Form 8300 & When
- Transactions
  - ✓ Designated Reporting Transaction
  - ✓ Related Transaction
  - ✓ Multiple Payments
- Customer Notification Requirements
- Penalties for Non-Compliance



## ***Money Laundering***

- Engaging in financial transactions to disguise
  - ✓ Origin
  - ✓ True Nature
  - ✓ Ownership
- Deficit Reduction Act of 1984
  - ✓ Mandated cash transactions by trade or business
  - ✓ Codified in Title 26, § 6050I



## ***Who Must File Form 8300***

A person in a trade or business who:

- ✓ receives more than \$10,000 in cash
- ✓ from the same person (or agent)
- ✓ in a single transaction or two or more related transactions



## ***What Payments Are Reported***

- Lump sum of over \$10,000,
- Installment payments that cause the total cash received within one year of the initial payment to total more than \$10,000, or
- Other previously unreportable payments that cause the total cash received in a 12-month period to total more than \$10,000



## ***Cash is.....***

- Currency and coins, and
- Cashier's checks, bank drafts, traveler's checks, or money orders of \$10,000 or less.....received in:
  - ✓ a designated reporting transaction, or
  - ✓ any transaction in which the recipient knows the payer is trying to avoid reporting the transaction on Form 8300



## ***Designated Reporting Transaction***

The retail sale of a consumer durable that:

- ✓ Is ordinarily suitable for personal use
- ✓ Can last at least 1 year
- ✓ Sales price >\$10,000
- ✓ Tangible personal property



## ***Cash Is Not:***

- A cashier's check, bank draft, traveler's check, or money order with a face amount of more than \$10,000
- A check drawn on an individual's personal or business checking account
- A wire transfer



## ***Related Transactions***

Any transactions between a buyer, or agent of the buyer, and a seller that occurs within a 24-hour period

Treated as one transaction - Receipt of more than \$10,000 during two or more transactions with one buyer in a 24-hour period, file Form 8300



## ***Aggregating Transactions***

Cash received at different branches or departments:

Do not aggregate cash received by different branches or departments if, in the normal course of business, the branch or department would not have reason to know the identity of payers making cash payments to other branches or departments.



## ***Multiple Payments***

- Multiple payments occur when the same buyer, or agent for the buyer
  - ✓ Makes more than one cash payment
  - ✓ on a single transaction or a series of related transactions
- Report multiple payments when total amount received exceeds \$10,000 in a 12-month period



## ***Customer Identification***

Record document used to verify the customers identity on Form 8300:

Verification must be made by examination of a document normally accepted as a means of identification when cashing checks (for example, a driver's license, passport, alien registration card, or other official document).



## ***Filing Form 8300***

- Due within 15 days after receiving a payment exceeding \$10,000
- If the due date is a Saturday, Sunday, or holiday, Form 8300 is due on the next day that is not a Saturday, Sunday, or holiday
- A copy must be retained for 5 years



## ***Notification Requirement***

- Written statement must be given to each person named on Form 8300 - on or before January 31 of the year following the calendar year in which the cash is received
- The statement must include:
  - ✓ Name & address of the business;
  - ✓ Name & telephone number of business contact;
  - ✓ Total amount of reportable cash received; and,
  - ✓ That the information was reported to IRS



## ***Suspicious Transactions***

- If a transaction is suspicious, a business should check the "Suspicious transaction" box in item 1 of Form 8300.
- A business may voluntarily file a Form 8300 even if the cash transaction involves an amount less than \$10,000.



## ***Penalties***

- Civil Penalties:
  - ✓ Failure to timely file,
  - ✓ Failure to include complete and/or correct information,
  - ✓ Intentional disregard of filing requirements
  - ✓ Failure to furnish notification to payer
- Criminal Penalties - Willful Failure to File





## ***Resources***

- On the Web at:
  - ✓ IRS Web site – [www.irs.gov](http://www.irs.gov)
    - ✓ Bank Secrecy Act  
<http://www.irs.gov/businesses/small/article/0,,id=148857,00.html> (see the workbook available also)
    - ✓ Reporting Cash Payments  
<http://www.irs.gov/businesses/small/article/0,,id=148857,00.html>
    - ✓ IRS Provides Clarification on Form 8300 Issues  
<http://www.irs.gov/businesses/small/article/0,,id=203187,00.html>
    - ✓ FAQ's  
<http://www.irs.gov/businesses/small/article/0,,id=148821,00.html>
  - ✓ FinCEN Web site – [www.fincen.gov](http://www.fincen.gov)
- F8300 Questions: [8300questions@irs.gov](mailto:8300questions@irs.gov)
- Form 8300 and Pub 1544, available in English and Spanish:
  - ✓ Ordered by phone at: 1-800-829-3676
  - ✓ Online: [www.irs.gov](http://www.irs.gov)

